

CIA MEMO ON ALDENIAIN

'Nixon's Wish' Cited for Cover

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Six days after the Watergate break-in last June, federal prosecutor Earl J. Silbert revealed at a routine bond hearing involving the burglars that a bank draft of \$89,000 linked to Bernard L. Barker, one of the suspects, had been traced to a bank in Mexico City.

That same day, June 23, 1972, according to recent testimony before three congressional committees, White House aides H. R. Haldeman and John D. Ehrlichman tried to enlist CIA cooperation in blocking an FBI investigation of an ill-defined Mexico City finance operation.

According to a memo by CIA deputy director Lt. Gen. Vernon A. Walters which was prepared a few days later but revealed only yesterday, heading off the FBI probe was deemed so urgent that Haldeman told CIA officials that day "it is the President's wish" that Walters go to FBI acting director L. Patrick Gray III to call the FBI investigation off.

In the annals of the complex Watergate affair, the details of the tortuous financial trial that led from a Houston mining company, through Mexico City, to Barker and then to GOP fundraiser Maurice Stans' safe did not surface for many weeks.

TO WALTERS and to former CIA director Richard M. Helms, who testified yesterday in an open session of the Senate Foreign Relations committee, the connection was totally obscure last June.

As Helms recalls it, he was summoned by telephone to be at the White House at 1 p.m. June 23 to discuss an unidentified subject and to come with Walters, a former aide to President Nixon who barely six weeks before had been sworn in as CIA deputy.

Once in Ehrlichman's office, Helms recalled, Haldeman told the men there was a danger the Watergate incident might be capitalized upon by the "opposition." Apparently some danger to the national security likewise was invoked, as Helms recalls it, because "Haldeman also mentioned the Bay of Pigs, in an incoherent statement I didn't understand."

THEN HALDEMAN gave his order: "It was decided at the White House," Helms testified yesterday, that Walters should go to Gray and tell him that continued investigation of the Mexican finance might jeopardize CIA operations there.



Star-News Photographer Joseph Silverman

Richard Helms testifies.

Walters, in a confidential memorandum of the same conversation, which Sen. Stuart Symington (D-Mo.) in part revealed at yesterday's hearing, put it more bluntly. "It is the President's wish that you go to Mr. Gray ..." is the way he heard Haldeman's order.

Helms yesterday insisted that he had no recollection of the phrase "it is the President's wish." But he left no doubt that he regarded an order from Haldeman as issuing from the top. "When the President's chief of staff speaks to you," he noted, "you assume he speaks with authority."

Haldeman told the New York Times yesterday that the President was not in any way involved in the Watergate cover-up.

Helms revealed yesterday that the CIA immediately checked the only conceivable link between the Mexican money transfer and its own operations in Mexico. This was Manuel Ogarrío Daguerre, an attorney to whom had received a \$100,000 transfer from Gulf Resources and Chemical Corp. of Houston as a bill payment April 3, 1972.

OGARRIO, Helms told the committee, "had no relation to the agency," and by June 26 the CIA director and his deputy were trying to tell White House aides they could not invoke CIA operations to block the FBI probe.

Ogarrío, as the investigation eventually was to reveal, bought \$89,000 in bank drafts from Banco Internacional in Mexico City April 4, 1972.

The next day the drafts, plus \$11,000 in cash, were delivered by courier to Nixon fund-raisers in Houston. The money was flown immediately to

Washington. The drafts were cashed through Barker's Miami bank account before the money went back into a campaign safe used, in part, to finance Watergate spying.

Some of these connections between Watergate and the GOP campaign might never have been made had Haldeman's order of June 23, been carried out, and the Mexico City bank transaction, which Watergate prosecutor Silbert revealed that day, might never have been developed. The full details of the Mexican transaction are still under investigation by a federal grand jury in Houston.

Helms, looking back yesterday on that early stage of the Watergate scandal, stressed the seeming innocence of what Haldeman seemed to be asking him to do, even after it had been revealed that the reason offered for blocking the FBI probe — CIA operations in Mexico — was spurious.

Whether or not Haldeman spoke at "the President's wish," Helms made it plain, "assistance to the President hasn't been considered a crime until recently."

HE EXPLAINED: It was only six days after Watergate when Haldeman spoke, the full import of Watergate was unknown, he could not understand what a Mexican bank transaction had to do with the incident.

Later, as the scope of the case began to widen, Helms said, "My total preoccupation was to keep the CIA uninvolved in the whole matter — and I succeeded in so doing."

In late November, a few weeks after Nixon's landslide victory, Helms was summoned to Camp David and told he was resigning as CIA director, some six months before reaching retirement age, and being reassigned as ambassador to Iran. Haldeman was present at that meeting with the President, Helms recalled yesterday.

Asked by several senators whether his removal was related to his refusal to let the CIA be used by the White House in the Watergate case, Helms had one reply: "I honestly don't know."

STILL ANOTHER of Walters's "memorandums of conversation" — written last year but disclosed yesterday to the New York Times by other congressional sources — quotes Gray as saying that the President, during a telephone conversation, had inquired about "the case," an apparent reference to the Watergate inquiry.

This memorandum quotes Gray as telling the President that the Watergate case could not be covered up and that he thought that Nixon should get rid of those involved.

The memorandum, prepared by July 13, is said to be Walter's recollection of a conversation held just a day earlier with Gray.

The document quotes

Gray as saying that President Nixon had called him a week earlier to congratulate him on FBI action frustrating an airplane hijacking in San Francisco.

"Toward the end of the conversation," according to the Walters memorandum, "the President asked him (Gray) if he had talked to me (Walters) about the case. Gray replied that he had. The President then asked him what his recommendation was in this case."

The memorandum then continued:

Gray had replied that

the case could not be covered up and it would lead quite high and he felt that the President should get rid of the people that were involved. Any attempt to involve the FBI or the CIA in this case could only prove a mortal wound and would achieve nothing.

"The President then said, 'Then I should get rid of whoever is involved, no matter how high up?' Gray replied that was his recommendation."

"The President then asked what I thought and Gray said my views were the same as his. The President took it well and thanked him."

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